



QUARTERLY STATEMENT

AS OF MARCH 31, 2010
OF THE CONDITION AND AFFAIRS OF THE

Priority Health

NAIC Group Code	3383	3383	NAIC Company Code	95561	Employer's ID Number	38-2715520
	(Current Period)	(Prior Period)				
Organized under the Laws of	Michigan			State of Domicile or Port of Entry	Michigan	
Country of Domicile	United States					
Licensed as business type:	Life, Accident & Health []		Property/Casualty []		Hospital, Medical & Dental Service or Indemnity []	
	Dental Service Corporation []		Vision Service Corporation []		Health Maintenance Organization [X]	
	Other []		Is HMO, Federally Qualified? Yes [] No [X]			
Incorporated/Organized	03/07/1986		Commenced Business		10/15/1986	
Statutory Home Office	1231 East Beltline NE			Grand Rapids, MI 49525-4501		
	(Street and Number)			(City, State and Zip Code)		
Main Administrative Office	1231 East Beltline NE		Grand Rapids, MI 49525-4501		616-942-0954	
	(Street and Number)		(City or Town, State and Zip Code)		(Area Code) (Telephone Number)	
Mail Address	1231 East Beltline NE		Grand Rapids, MI 49525-4501			
	(Street and Number or P.O. Box)		(City or Town, State and Zip Code)			
Primary Location of Books and Records	1231 East Beltline NE		Grand Rapids, MI 49525-4501		616-464-8926	
	(Street and Number)		(City, State and Zip Code)		(Area Code) (Telephone Number)	
Internet Web Site Address	www.priority-health.com					
Statutory Statement Contact	Kristy Lynn Shoemaker			616-464-8926		
	(Name)			(Area Code) (Telephone Number) (Extension)		
	kristy.shoemaker@priority-health.com			616-942-7916		
	(E-Mail Address)			(Fax Number)		

OFFICERS

Name	Title	Name	Title
Kimberly K Horn	President / Chief Executive Officer	Gregory A Hawkins	Treasurer / Chief Financial Officer
Kimberly L Thomas #	Secretary		

OTHER OFFICERS

DIRECTORS OR TRUSTEES

Dennis Aloia	Craig H Bethune	Richard C Breon	Karl D Deck
Georgia R Fojtasek	Michael P Freed	Lynn Kotecki	Rajesh Kothari #
Lynn Liddle #	Peter B Lundeen	Christina MacInnes	Edward M Millermaier
Kathleen S Ponitz	Robert W Roth	Paul Saginaw #	Thomas G Schwaderer
Timothy V Smith	Dale M Sowders	James J Stephanak	Jody D Vanderwel
Samuel Wanner #			

State of Michigan
County of Kent ss

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

Kimberly K. Horn President / Chief Executive Officer	Gregory A. Hawkins Treasurer / Chief Financial Officer	Kimberly L. Thomas Secretary
a. Is this an original filing? Yes [X] No []		
b. If no,		
1. State the amendment number		
2. Date filed		
3. Number of pages attached		
Subscribed and sworn to before me this day of May, 2010		
Catherine H. Sochanek, Executive Administrative Assistant 5/12/2016		

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds	142,230,676		142,230,676	147,243,898
2. Stocks:				
2.1 Preferred stocks			0	0
2.2 Common stocks	82,436,609		82,436,609	77,525,162
3. Mortgage loans on real estate:				
3.1 First liens			0	0
3.2 Other than first liens			0	0
4. Real estate:				
4.1 Properties occupied by the company (less \$0 encumbrances)	979,770	979,770	0	0
4.2 Properties held for the production of income (less \$ encumbrances)			0	0
4.3 Properties held for sale (less \$ encumbrances)			0	0
5. Cash (\$69,646,665), cash equivalents (\$0) and short-term investments (\$116,483,157)	186,129,822		186,129,822	169,043,413
6. Contract loans (including \$premium notes)			0	0
7. Derivatives			0	
8. Other invested assets	0		0	0
9. Receivables for securities	904,359		904,359	0
10. Aggregate write-ins for invested assets	0	0	0	0
11. Subtotals, cash and invested assets (Lines 1 to 10)	412,681,236	979,770	411,701,466	393,812,473
12. Title plants less \$charged off (for Title insurers only)			0	0
13. Investment income due and accrued	2,078,047		2,078,047	2,596,295
14. Premiums and considerations:				
14.1 Uncollected premiums and agents' balances in the course of collection	18,070,418	203,732	17,866,686	14,457,046
14.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$earned but unbilled premiums)			0	0
14.3 Accrued retrospective premiums	784,504		784,504	800,122
15. Reinsurance:				
15.1 Amounts recoverable from reinsurers			0	0
15.2 Funds held by or deposited with reinsured companies			0	0
15.3 Other amounts receivable under reinsurance contracts			0	0
16. Amounts receivable relating to uninsured plans			0	0
17.1 Current federal and foreign income tax recoverable and interest thereon			0	0
17.2 Net deferred tax asset			0	0
18. Guaranty funds receivable or on deposit			0	0
19. Electronic data processing equipment and software			0	0
20. Furniture and equipment, including health care delivery assets (\$0)	13,893,792	13,893,792	0	0
21. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
22. Receivables from parent, subsidiaries and affiliates	1,538,257		1,538,257	8,328,457
23. Health care (\$9,057,042) and other amounts receivable	10,524,555	1,613,859	8,910,696	6,481,226
24. Aggregate write-ins for other than invested assets	2,424,105	2,424,105	0	0
25. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 11 to 24)	461,994,914	19,115,258	442,879,656	426,475,619
26. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	0
27. Total (Lines 25 and 26)	461,994,914	19,115,258	442,879,656	426,475,619
DETAILS OF WRITE-INS				
1001.				
1002.				
1003.				
1098. Summary of remaining write-ins for Line 10 from overflow page	0	0	0	0
1099. Totals (Lines 1001 through 1003 plus 1098)(Line 10 above)	0	0	0	0
2401. Goodwill	2,175,000	2,175,000	0	0
2402. Prepaid expenses	249,105	249,105	0	0
2403.				
2498. Summary of remaining write-ins for Line 24 from overflow page	0	0	0	0
2499. Totals (Lines 2401 through 2403 plus 2498)(Line 24 above)	2,424,105	2,424,105	0	0

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$0 reinsurance ceded)	102,204,712	10,301,185	112,505,897	100,948,729
2. Accrued medical incentive pool and bonus amounts	24,841,426		24,841,426	20,960,205
3. Unpaid claims adjustment expenses	1,794,084	249,686	2,043,770	1,790,725
4. Aggregate health policy reserves			0	0
5. Aggregate life policy reserves			0	0
6. Property/casualty unearned premium reserve			0	0
7. Aggregate health claim reserves			0	0
8. Premiums received in advance	23,785,455		23,785,455	20,006,430
9. General expenses due or accrued	4,698,371		4,698,371	4,867,464
10.1 Current federal and foreign income tax payable and interest thereon (including \$ on realized gains (losses))			0	0
10.2 Net deferred tax liability			0	0
11. Ceded reinsurance premiums payable			0	0
12. Amounts withheld or retained for the account of others	156,734		156,734	156,808
13. Remittances and items not allocated			0	0
14. Borrowed money (including \$0 current) and interest thereon \$1,805 (including \$1,805 current)	10,001,805		10,001,805	0
15. Amounts due to parent, subsidiaries and affiliates	21,925,686		21,925,686	40,169,536
16. Derivatives			0	
17. Payable for securities	1,480,989		1,480,989	0
18. Funds held under reinsurance treaties (with \$ authorized reinsurers and \$unauthorized reinsurers)			0	0
19. Reinsurance in unauthorized companies			0	0
20. Net adjustments in assets and liabilities due to foreign exchange rates			0	0
21. Liability for amounts held under uninsured plans	3,902,072		3,902,072	2,669,426
22. Aggregate write-ins for other liabilities (including \$ current)	0	0	0	0
23. Total liabilities (Lines 1 to 22)	194,791,334	10,550,871	205,342,205	191,569,323
24. Aggregate write-ins for special surplus funds	XXX	XXX	1,000,000	1,000,000
25. Common capital stock	XXX	XXX	8,524	8,524
26. Preferred capital stock	XXX	XXX		0
27. Gross paid in and contributed surplus	XXX	XXX	35,821,002	35,821,002
28. Surplus notes	XXX	XXX	33,839,572	33,839,572
29. Aggregate write-ins for other than special surplus funds	XXX	XXX	0	0
30. Unassigned funds (surplus)	XXX	XXX	166,868,353	164,237,198
31. Less treasury stock, at cost:				
31.1 shares common (value included in Line 25) \$)	XXX	XXX		0
31.2 shares preferred (value included in Line 26) \$)	XXX	XXX		0
32. Total capital and surplus (Lines 24 to 30 minus Line 31)	XXX	XXX	237,537,451	234,906,296
33. Total liabilities, capital and surplus (Lines 23 and 32)	XXX	XXX	442,879,656	426,475,619
DETAILS OF WRITE-INS				
2201.				
2202.				
2203.				
2298. Summary of remaining write-ins for Line 22 from overflow page	0	0	0	0
2299. Totals (Lines 2201 through 2203 plus 2298) (Line 22 above)	0	0	0	0
2401. Appropriated Retained Earnings	XXX	XXX	1,000,000	1,000,000
2402.	XXX	XXX		
2403.	XXX	XXX		
2498. Summary of remaining write-ins for Line 24 from overflow page	XXX	XXX	0	0
2499. Totals (Lines 2401 through 2403 plus 2498) (Line 24 above)	XXX	XXX	1,000,000	1,000,000
2901.	XXX	XXX		
2902.	XXX	XXX		
2903.	XXX	XXX		
2998. Summary of remaining write-ins for Line 29 from overflow page	XXX	XXX	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)	XXX	XXX	0	0

STATEMENT OF REVENUE AND EXPENSES

	Current Year To Date		Prior Year To Date	Prior Year Ended December 31
	1 Uncovered	2 Total	3 Total	4 Total
1. Member Months.....	XXX	1,244,828	1,081,952	4,408,636
2. Net premium income (including \$0 non-health premium income).....	XXX	404,813,126	324,407,219	1,323,382,746
3. Change in unearned premium reserves and reserve for rate credits	XXX		.0	.0
4. Fee-for-service (net of \$ medical expenses)	XXX		.0	.0
5. Risk revenue	XXX		.0	.0
6. Aggregate write-ins for other health care related revenues	XXX	129,777	170,604	980,430
7. Aggregate write-ins for other non-health revenues	XXX	.0	.0	.0
8. Total revenues (Lines 2 to 7)	XXX	404,942,903	324,577,823	1,324,363,176
Hospital and Medical:				
9. Hospital/medical benefits		274,303,969	216,622,836	879,499,199
10. Other professional services		160,581	109,111	515,369
11. Outside referrals		8,523,315	6,187,517	33,721,176
12. Emergency room and out-of-area		9,795,647	8,167,773	36,306,888
13. Prescription drugs		69,774,225	56,209,598	230,308,382
14. Aggregate write-ins for other hospital and medical.....	.0	.0	.0	.0
15. Incentive pool, withhold adjustments and bonus amounts.....		5,940,774	6,338,201	23,501,688
16. Subtotal (Lines 9 to 15) .....	.0	368,498,511	293,635,036	1,203,852,702
Less:				
17. Net reinsurance recoveries		119,482	35,778	356,156
18. Total hospital and medical (Lines 16 minus 17) .....	.0	368,379,029	293,599,258	1,203,496,546
19. Non-health claims (net).....			.0	.0
20. Claims adjustment expenses, including \$ 1,884,137 .....cost containment expenses.....		11,083,158	4,503,218	40,289,583
21. General administrative expenses.....		27,028,797	25,743,968	83,704,937
22. Increase in reserves for life and accident and health contracts (including \$ increase in reserves for life only).....			.0	.0
23. Total underwriting deductions (Lines 18 through 22) .....	.0	406,490,984	323,846,444	1,327,491,066
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	(1,548,081)	731,379	(3,127,890)
25. Net investment income earned		2,123,562	2,596,907	19,243,063
26. Net realized capital gains (losses) less capital gains tax of \$.....0		(8,778)	344,298	(1,203,120)
27. Net investment gains (losses) (Lines 25 plus 26) .....	.0	2,114,784	2,941,205	18,039,943
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$) (amount charged off \$ ..... ) .....			.0	.0
29. Aggregate write-ins for other income or expenses .....	.0	740,364	344,711	2,909,532
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	XXX	1,307,067	4,017,295	17,821,585
31. Federal and foreign income taxes incurred	XXX		.0	.0
32. Net income (loss) (Lines 30 minus 31)	XXX	1,307,067	4,017,295	17,821,585
DETAILS OF WRITE-INS				
0601. Wellness Program Revenue.....	XXX	129,777	170,604	980,430
0602.	XXX			
0603.	XXX			
0698. Summary of remaining write-ins for Line 6 from overflow page	XXX	.0	.0	.0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	XXX	129,777	170,604	980,430
0701.	XXX			
0702.	XXX			
0703.	XXX			
0798. Summary of remaining write-ins for Line 7 from overflow page	XXX	.0	.0	.0
0799. Totals (Lines 0701 through 0703 plus 0798) (Line 7 above)	XXX	0	0	0
1401.				
1402.				
1403.				
1498. Summary of remaining write-ins for Line 14 from overflow page .....	.0	.0	.0	.0
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)	0	0	0	0
2901. Management Fee Revenue.....	.0	740,364	344,711	2,909,532
2902.				
2903.				
2998. Summary of remaining write-ins for Line 29 from overflow page .....	.0	.0	.0	.0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)	0	740,364	344,711	2,909,532

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year
CAPITAL AND SURPLUS ACCOUNT:			
33. Capital and surplus prior reporting year.....	234,906,296	221,121,463	221,121,463
34. Net income or (loss) from Line 32.....	1,307,067	4,017,295	17,821,585
35. Change in valuation basis of aggregate policy and claim reserves.....		0	0
36. Change in net unrealized capital gains (losses) less capital gains tax of \$.....0	490,477	(4,507,079)	(3,552,107)
37. Change in net unrealized foreign exchange capital gain or (loss).....		0	0
38. Change in net deferred income tax.....		0	0
39. Change in nonadmitted assets.....	833,611	(1,070,627)	(484,645)
40. Change in unauthorized reinsurance.....	0	0	0
41. Change in treasury stock.....		0	0
42. Change in surplus notes.....	0	0	0
43. Cumulative effect of changes in accounting principles.....		0	0
44. Capital Changes:			
44.1 Paid in.....		0	0
44.2 Transferred from surplus (Stock Dividend).....		0	0
44.3 Transferred to surplus.....		0	0
45. Surplus adjustments:			
45.1 Paid in.....		0	0
45.2 Transferred to capital (Stock Dividend).....0	0	0	0
45.3 Transferred from capital.....		0	0
46. Dividends to stockholders.....		0	0
47. Aggregate write-ins for gains or (losses) in surplus.....0	0	0	0
48. Net change in capital and surplus (Lines 34 to 47).....	2,631,155	(1,560,411)	13,784,833
49. Capital and surplus end of reporting period (Line 33 plus 48)	237,537,451	219,561,052	234,906,296
DETAILS OF WRITE-INS			
4701.			
4702.			
4703.			
4798. Summary of remaining write-ins for Line 47 from overflow page.....0	0	0	0
4799. Totals (Lines 4701 through 4703 plus 4798) (Line 47 above)	0	0	0

CASH FLOW

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
Cash from Operations			
1. Premiums collected net of reinsurance.....	405,277,138	329,419,038	1,321,219,807
2. Net investment income.....	2,749,546	3,210,960	19,717,385
3. Miscellaneous income.....	129,777	170,604	980,430
4. Total (Lines 1 to 3).....	408,156,461	332,800,602	1,341,917,622
5. Benefit and loss related payments.....	356,518,515	292,249,692	1,214,314,015
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions.....	36,054,994	34,632,457	119,810,992
8. Dividends paid to policyholders.....	0	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses)	0	0	0
10. Total (Lines 5 through 9).....	392,573,509	326,882,149	1,334,125,007
11. Net cash from operations (Line 4 minus Line 10).....	15,582,952	5,918,453	7,792,615
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds.....	18,264,724	24,728,388	69,863,082
12.2 Stocks.....	0	796,379	7,961,125
12.3 Mortgage loans.....	0	0	0
12.4 Real estate.....	0	0	0
12.5 Other invested assets.....	0	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....	3,136	6,714	18,045
12.7 Miscellaneous proceeds.....	606,769	760,056	190,276
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	18,874,629	26,291,537	78,032,528
13. Cost of investments acquired (long-term only):			
13.1 Bonds.....	13,199,560	28,062,028	78,747,703
13.2 Stocks.....	4,420,970	248,833	25,981,737
13.3 Mortgage loans.....	0	0	0
13.4 Real estate.....	0	0	488,589
13.5 Other invested assets.....	0	0	0
13.6 Miscellaneous applications.....	171,594	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6).....	17,792,124	28,310,861	105,218,029
14. Net increase (or decrease) in contract loans and premium notes.....	0	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14).....	1,082,505	(2,019,324)	(27,185,501)
Cash from Financing and Miscellaneous Sources			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes.....	0	0	0
16.2 Capital and paid in surplus, less treasury stock.....	0	0	0
16.3 Borrowed funds.....	10,001,805	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....	0	0	0
16.5 Dividends to stockholders.....	0	0	0
16.6 Other cash provided (applied).....	(9,580,853)	4,941,099	9,795,805
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6).....	420,952	4,941,099	9,795,805
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17).....	17,086,409	8,840,228	(9,597,081)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year.....	169,043,413	178,640,494	178,640,494
19.2 End of period (Line 18 plus Line 19.1).....	186,129,822	187,480,722	169,043,413

STATEMENT AS OF MARCH 31, 2010 OF THE Priority Health

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION										
	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefit Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Other
		2 Individual	3 Group							
Total Members at end of:										
1. Prior Year	380,816	1,577	361,332	.0	.0	.0	.0	17,907	.0	.0
2 First Quarter	413,245	1,699	368,071	.185				.43,290		
3 Second Quarter .....	.0									
4. Third Quarter .....	.0									
5. Current Year .....	.0									
6 Current Year Member Months	1,244,828	4,644	1,112,751	.474				126,959		
Total Member Ambulatory Encounters for Period:										
7. Physician	1,106,441	3,754	899,436	.765				202,486		
8. Non-Physician	44,429	.151	36,116	.31				8,131		
9. Total	1,150,870	3,905	935,552	.796	.0	.0	.0	210,617	.0	.0
10. Hospital Patient Days Incurred	36,537	.86	20,690	.9				15,752		
11. Number of Inpatient Admissions	7,663	22	5,188	.2				2,451		
12. Health Premiums Written(a)	405,206,069	1,295,886	310,507,775	.71,350				93,331,058		
13. Life Premiums Direct.....	.0									
14. Property/Casualty Premiums Written .....	.0									
15. Health Premiums Earned	404,813,126	1,294,295	310,126,618	.71,312				93,320,901		
16. Property/Casualty Premiums Earned .....	.0									
17. Amount Paid for Provision of Health Care Services	352,881,900	1,401,865	292,890,614	.28,379				58,561,042		
18. Amount Incurred for Provision of Health Care Services	368,498,511	1,463,429	289,544,040	64,181				77,426,861		

(a) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees \$93,331,058

CLAIMS UNPAID AND INCENTIVE POOL, WITHHOLD AND BONUS (Reported and Unreported)

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UNDERWRITING AND INVESTMENT EXHIBIT
ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE

Line of Business	Claims Paid Year to Date		Liability End of Current Quarter		5 Claims Incurred in Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability Dec. 31 of Prior Year
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid Dec. 31 of Prior Year	4 On Claims Incurred During the Year		
1. Comprehensive (hospital and medical)	81,187,673	216,576,873	11,546,875	71,113,026	92,734,548	88,790,547
2. Medicare Supplement		28,379		35,802	.0	.0
3. Dental Only .....					.0	.0
4. Vision Only .....					.0	.0
5. Federal Employees Health Benefits Plan .....					.0	.0
6. Title XVIII - Medicare	9,214,875	49,233,492	1,105,191	28,705,003	10,320,066	12,158,182
7. Title XIX - Medicaid .....					.0	.0
8. Other health .....					.0	.0
9. Health subtotal (Lines 1 to 8).....	90,402,548	265,838,744	12,652,066	99,853,831	103,054,614	100,948,729
10. Healthcare receivables (a)	5,418,944		801,796	5,360,204	6,220,740	6,220,740
11. Other non-health .....					.0	.0
12. Medical incentive pools and bonus amounts	1,215,905	843,647	17,763,416	7,078,010	18,979,321	20,960,205
13. Totals	86,199,509	266,682,391	29,613,686	101,571,637	115,813,195	115,688,194

(a) Excludes \$0 loans or advances to providers not yet expensed.

NOTES TO FINANCIAL STATEMENTS

1. Organization and Summary of Significant Accounting Policies

Priority Health's statutory-basis financial statements are prepared in accordance with the *Accounting Practices and Procedures Manual* published by the National Association of Insurance Commissioners.

2. Accounting Changes and Correction of Errors

No material changes from year end disclosures.

3. Business Combinations and Goodwill

No material changes from year end disclosures.

4. Discontinued Operations

No material changes from year end disclosures.

5. Investments

No material changes from year end disclosures.

6. Joint Ventures, Partnerships and Limited Liability Companies

No material changes from year end disclosures.

7. Investment Income

No material changes from year end disclosures.

8. Derivative Instruments

No material changes from year end disclosures.

9. Income Taxes

No material changes from year end disclosures.

10. Information Concerning Parent, Subsidiaries, and Affiliates

The Company contributed capital to its subsidiary, Priority Health Insurance Company, in the amount of \$4,250,000 in March 2010.

11. Debt

In 2008, the Company obtained a \$10,000,000 line of credit from its parent company, Spectrum Health, which was outstanding at March 31, 2010. The line of credit requires interest be paid in installments and matures in February 2012. This line of credit bears interest at a floating rate based on one-month LIBOR plus 85 basis points (1.3% at March 31, 2010).

12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans

No material changes from year end disclosures.

13. Capital and Surplus, Shareholder's Dividend Restrictions, and Quasi-Reorganizations

No material changes from year end disclosures.

14. Contingencies

No material changes from year end disclosures.

15. Leases

No material changes from year end disclosures.

16. Information About Financial Instruments With Off-Balance Sheet Risk and Financial Instruments With Concentrations of Credit Risk

No material changes from year end disclosures.

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

No material changes from year end disclosures.

NOTES TO FINANCIAL STATEMENTS

18. Gain of Loss to the Reporting Entity from Uninsured A&H Plans and the Uninsured Portion of Partially Insured Plans

No material changes from year end disclosures

19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

No material changes from year end disclosures.

20. Other Items

No material changes from year end disclosures.

21. Events Subsequent

No material changes from year end disclosures.

22. Reinsurance

No material changes from year end disclosures.

23. Retrospectively Rated Contracts & Contracts Subject to Redetermination

No material changes from year end disclosures

24. Change in Incurred Claims and Claim Adjustment Expenses

Adjustments to previously rendered claims reserve estimates are reflected in the statement of operations in the period in which the estimates are revised. Such reserve adjustments consist of restatements of claim estimates and release of any margin associated with these estimates. Reserve adjustments were unfavorable by \$2.1 million year-to-date, decreasing the prior year-end claim reserve estimates of \$100.9 million to \$103.0 million.

25. Intercompany Pooling Arrangements

No material changes from year end disclosures.

26. Structured Settlements

No material changes from year end disclosures.

27. Health Care Receivables

No material changes from year end disclosures.

28. Participating Policies

No material changes from year end disclosures.

29. Premium Deficiency Reserves

No material changes from year end disclosures.

30. Anticipated Salvage and Subrogation

No material changes from year end disclosures.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES
GENERAL

- 1.1

Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act?

Yes ☐ No ☒
- 1.2

If yes, has the report been filed with the domiciliary state?

Yes ☐ No ☐
- 2.1

Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes ☐ No ☒
- 2.2

If yes, date of change:
3.

Have there been any substantial changes in the organizational chart since the prior quarter end?

Yes ☐ No ☒

If yes, complete the Schedule Y - Part 1 - organizational chart.
- 4.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes ☐ No ☒
- 4.2

If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1	2	3
Name of Entity	NAIC Company Code	State of Domicile

5.

If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved?

If yes, attach an explanation.

Yes ☐ No ☒ NA ☐
- 6.1

State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2006
- 6.2

State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

12/31/2006
- 6.3

State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

05/26/2008
- 6.4

By what department or departments?
State of Michigan Office of Financial and Insurance Regulation.....
- 6.5

Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments?

Yes ☐ No ☐ NA ☒
- 6.6

Have all of the recommendations within the latest financial examination report been complied with?.....

Yes ☐ No ☒ NA ☐
- 7.1

Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?.....

Yes ☐ No ☒
- 7.2

If yes, give full information:
.....
- 8.1

Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?.....

Yes ☐ No ☒
- 8.2

If response to 8.1 is yes, please identify the name of the bank holding company.
.....
- 8.3

Is the company affiliated with one or more banks, thrifts or securities firms?.....

Yes ☐ No ☒
- 8.4

If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.]

1	2	3	4	5	6	7
Affiliate Name	Location (City, State)	FRB	OCC	OTS	FDIC	SEC

GENERAL INTERROGATORIES

- 9.1

Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?.....

Yes ☒ No ☐
- (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;

(b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;

(c) Compliance with applicable governmental laws, rules and regulations;

(d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and

(e) Accountability for adherence to the code.
- 9.11

If the response to 9.1 is No, please explain:

.....
- 9.2

Has the code of ethics for senior managers been amended?.....

Yes ☐ No ☒
- 9.21

If the response to 9.2 is Yes, provide information related to amendment(s).

.....
- 9.3

Have any provisions of the code of ethics been waived for any of the specified officers?.....

Yes ☐ No ☒
- 9.31

If the response to 9.3 is Yes, provide the nature of any waiver(s).

.....

FINANCIAL

- 10.1

Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?.....

Yes ☒ No ☐
- 10.2

If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$0

INVESTMENT

- 11.1

Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.)

Yes ☐ No ☒
- 11.2

If yes, give full and complete information relating thereto:

.....
12.

Amount of real estate and mortgages held in other invested assets in Schedule BA: \$0
13.

Amount of real estate and mortgages held in short-term investments: \$0
- 14.1

Does the reporting entity have any investments in parent, subsidiaries and affiliates?

Yes ☒ No ☐
- 14.2

If yes, please complete the following:

	1	2
	Prior Year-End Book/Adjusted Carrying Value	Current Quarter Book/Adjusted Carrying Value
14.21 Bonds	\$0	\$0
14.22 Preferred Stock	\$0	\$0
14.23 Common Stock	\$32,822,112	\$35,572,086
14.24 Short-Term Investments	\$0	\$0
14.25 Mortgage Loans on Real Estate	\$0	\$0
14.26 All Other	\$0	\$0
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26).....	\$32,822,112	\$35,572,086
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above	\$0	\$0
- 15.1

Has the reporting entity entered into any hedging transactions reported on Schedule DB?

Yes ☐ No ☒
- 15.2

If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?

Yes ☐ No ☐

If no, attach a description with this statement.

GENERAL INTERROGATORIES

16. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III – General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?.....

Yes [X] No []

16.1 For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian Address
Fifth Third Bank.....	Grand Rapids, Michigan.....
Huntington National Bank.....	Grand Rapids, Michigan.....
Mellon Trust.....	Pittsburgh, Pennsylvania.....

16.2 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)

16.3 Have there been any changes, including name changes, in the custodian(s) identified in 16.1 during the current quarter?

Yes [] No [X]

16.4 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason

16.5 Identify all investment advisors, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository	2 Name(s)	3 Address
n/a.....	Prime Advisors, Inc.....	Bloomfield, Connecticut.....

17.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed?

Yes [X] No []

17.2 If no, list exceptions:

.....

GENERAL INTERROGATORIES
PART 2 - HEALTH

1.

1

Amount

1. Operating Percentages:

1.1 A&H loss percent

91.5 %

1.2 A&H cost containment percent

0.5 %

1.3 A&H expense percent excluding cost containment expenses

9.0 %

2.1 Do you act as a custodian for health savings accounts?

Yes [] No [X]

2.2 If yes, please provide the amount of custodial funds held as of the reporting date.

\$

2.3 Do you act as an administrator for health savings accounts?

Yes [] No [X]

2.4 If yes, please provide the balance of funds administered as of the reporting date.

\$

Showing All New Reinsurance Treaties - Current Year to Date

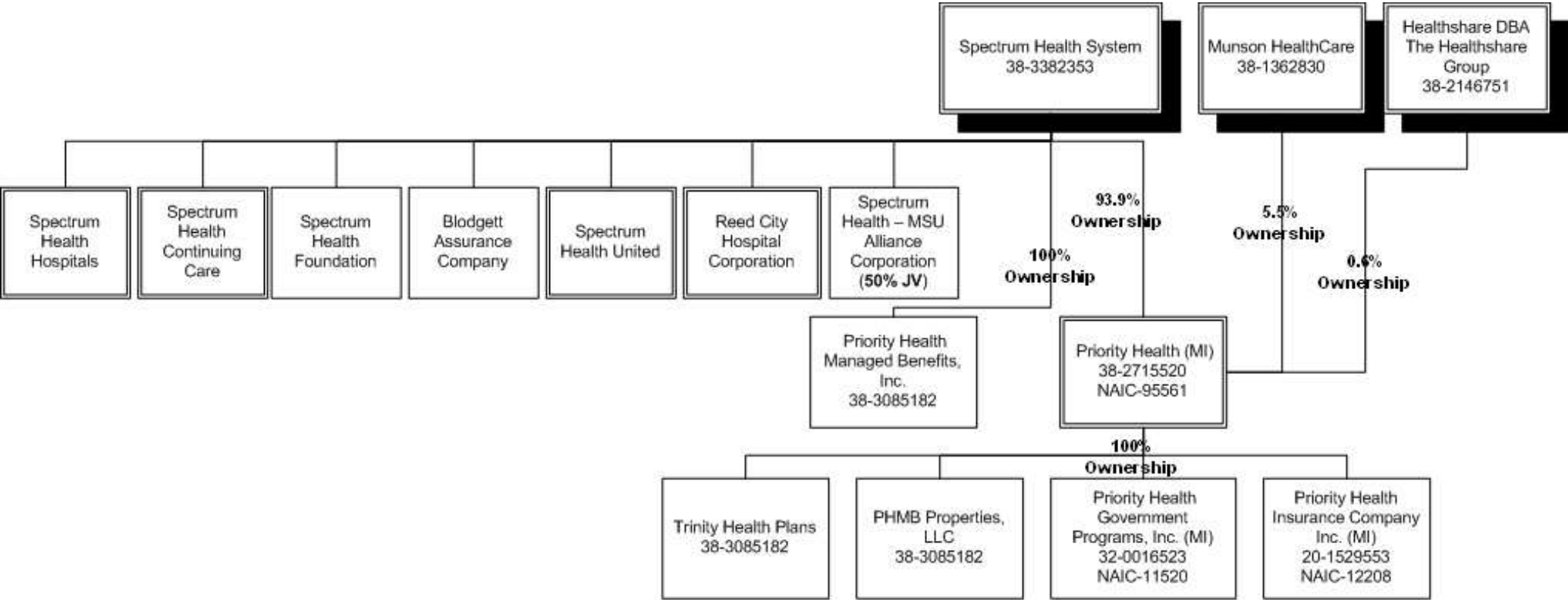
[illegible]

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Current Year to Date - Allocated by States and Territories										
		1	Direct Business Only							
			2	3	4	5	6	7	8	9
States, Etc.		Active Status	Accident & Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefit Program Premiums	Life & Annuity Premiums & Other Considerations	Property/ Casualty Premiums	Total Columns 2 Through 7	Deposit-Type Contracts
1.	Alabama	AL	N						0	
2.	Alaska	AK	N						0	
3.	Arizona	AZ	N						0	
4.	Arkansas	AR	N						0	
5.	California	CA	N						0	
6.	Colorado	CO	N						0	
7.	Connecticut	CT	N						0	
8.	Delaware	DE	N						0	
9.	Dist. Columbia	DC	N						0	
10.	Florida	FL	N						0	
11.	Georgia	GA	N						0	
12.	Hawaii	HI	N						0	
13.	Idaho	ID	N						0	
14.	Illinois	IL	N						0	
15.	Indiana	IN	N						0	
16.	Iowa	IA	N						0	
17.	Kansas	KS	N						0	
18.	Kentucky	KY	N						0	
19.	Louisiana	LA	N						0	
20.	Maine	ME	N						0	
21.	Maryland	MD	N						0	
22.	Massachusetts	MA	N						0	
23.	Michigan	MI	L	311,875,011	93,331,058				405,206,069	
24.	Minnesota	MN	N						0	
25.	Mississippi	MS	N						0	
26.	Missouri	MO	N						0	
27.	Montana	MT	N						0	
28.	Nebraska	NE	N						0	
29.	Nevada	NV	N						0	
30.	New Hampshire	NH	N						0	
31.	New Jersey	NJ	N						0	
32.	New Mexico	NM	N						0	
33.	New York	NY	N						0	
34.	North Carolina	NC	N						0	
35.	North Dakota	ND	N						0	
36.	Ohio	OH	N						0	
37.	Oklahoma	OK	N						0	
38.	Oregon	OR	N						0	
39.	Pennsylvania	PA	N						0	
40.	Rhode Island	RI	N						0	
41.	South Carolina	SC	N						0	
42.	South Dakota	SD	N						0	
43.	Tennessee	TN	N						0	
44.	Texas	TX	N						0	
45.	Utah	UT	N						0	
46.	Vermont	VT	N						0	
47.	Virginia	VA	N						0	
48.	Washington	WA	N						0	
49.	West Virginia	WV	N						0	
50.	Wisconsin	WI	N						0	
51.	Wyoming	WY	N						0	
52.	American Samoa	AS	N						0	
53.	Guam	GU	N						0	
54.	Puerto Rico	PR	N						0	
55.	U.S. Virgin Islands	VI	N						0	
56.	Northern Mariana Islands	MP	N						0	
57.	Canada	CN	N						0	
58.	Aggregate other alien	OT	XXX	0	0	0	0	0	0	0
59.	Subtotal	XXX	311,875,011	93,331,058	0	0	0	0	405,206,069	0
60.	Reporting entity contributions for Employee Benefit Plans	XXX							0	
61.	Total (Direct Business)	(a) 1	311,875,011	93,331,058	0	0	0	0	405,206,069	0
DETAILS OF WRITE-INS										
5801.		XXX								
5802.		XXX								
5803.		XXX								
5898.	Summary of remaining write-ins for Line 58 from overflow page	XXX	0	0	0	0	0	0	0	0
5899.	Totals (Lines 5801 through 5803 plus 5898) (Line 58 above)	XXX	0	0	0	0	0	0	0	

(L) Licensed or Chartered – Licensed Insurance Carrier or Domiciled RRG; (R) Registered – Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible – Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above – Not allowed to write business in the state.
(a) Insert the number of L responses except for Canada and other Alien.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART



SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of **NO** to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplemental is required of your company but is not being filed for whatever reason enter **SEE EXPLANATION** and provide an explanation following the interrogatory questions.

RESPONSE

1. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?

.....NO.....

Explanation:

1.Business not written

Bar Code:

1.



95561201036500001

OVERFLOW PAGE FOR WRITE-INS

SCHEDULE A - VERIFICATION

Real Estate

	1	2
	Year to Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	1,009,909	711,596
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		488,589
2.2 Additional investment made after acquisition		0
3. Current year change in encumbrances		0
4. Total gain (loss) on disposals		0
5. Deduct amounts received on disposals		0
6. Total foreign exchange change in book/adjusted carrying value		0
7. Deduct current year's other than temporary impairment recognized		0
8. Deduct current year's depreciation	30,139	190,276
9. Book/adjusted carrying value at the end of current period (Lines 1+2+3+4-5+6-7-8)	979,770	1,009,909
10. Deduct total nonadmitted amounts	979,770	1,009,909
11. Statement value at end of current period (Line 9 minus Line 10)	0	0

SCHEDULE B – VERIFICATION

Mortgage Loans

	1	2
	Year to Date	Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest, December 31 of prior year	0	0
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		0
2.2 Additional investment made after acquisition		0
3. Capitalized deferred interest and other		0
4. Accrual of discount		0
5. Unrealized valuation increase (decrease)		0
6. Total gain (loss) on disposals		0
7. Deduct amounts received on disposals		0
8. Deduct amortization of premium and mortgage interest points and commitment fees		0
9. Total foreign exchange change in book value/recorded investment excluding accrued interest		0
10. Deduct current year's other than temporary impairment recognized		0
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)	0	0
12. Total valuation allowance		0
13. Subtotal (Line 11 plus Line 12)	0	0
14. Deduct total nonadmitted amounts	0	0
15. Statement value at end of current period (Line 13 minus Line 14)	0	0

SCHEDULE BA – VERIFICATION

Other Long-Term Invested Assets

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	0	0
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		0
2.2 Additional investment made after acquisition		0
3. Capitalized deferred interest and other		0
4. Accrual of discount		0
5. Unrealized valuation increase (decrease)		0
6. Total gain (loss) on disposals		0
7. Deduct amounts received on disposals		0
8. Deduct amortization of premium and depreciation		0
9. Total foreign exchange change in book/adjusted carrying value		0
10. Deduct current year's other than temporary impairment recognized		0
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)	0	0
12. Deduct total nonadmitted amounts	0	0
13. Statement value at end of current period (Line 11 minus Line 12)	0	0

SCHEDULE D – VERIFICATION

Bonds and Stocks

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	224,769,060	202,938,468
2. Cost of bonds and stocks acquired	17,620,529	104,729,440
3. Accrual of discount	46,452	0
4. Unrealized valuation increase (decrease)	490,477	(3,552,107)
5. Total gain (loss) on disposals	159,680	(1,221,165)
6. Deduct consideration for bonds and stocks disposed of	18,264,723	77,824,207
7. Deduct amortization of premium	154,190	301,369
8. Total foreign exchange change in book/adjusted carrying value	0	0
9. Deduct current year's other than temporary impairment recognized	0	0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	224,667,285	224,769,060
11. Deduct total nonadmitted amounts	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	224,667,285	224,769,060

STATEMENT AS OF MARCH 31, 2010 OF THE Priority Health

SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity
During the Current Quarter for all Bonds and Preferred Stock by Rating Class

	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. Class 1 (a).....	247,925,351	93,985,113	93,800,526	(1,557,536)	246,552,402	0	0	247,925,351
2. Class 2 (a).....	16,697,597	4,334,764	9,383,082	512,152	12,161,431	0	0	16,697,597
3. Class 3 (a).....	0	0	0	0	0	0	0	0
4. Class 4 (a).....	0	0	0	0	0	0	0	0
5. Class 5 (a).....	0	0	0	0	0	0	0	0
6. Class 6 (a).....	0	0	0	0	0	0	0	0
7. Total Bonds	264,622,948	98,319,876	103,183,608	(1,045,384)	258,713,833	0	0	264,622,948
PREFERRED STOCK								
8. Class 1	0	0	0	0	0	0	0	0
9. Class 2	0	0	0	0	0	0	0	0
10. Class 3	0	0	0	0	0	0	0	0
11. Class 4	0	0	0	0	0	0	0	0
12. Class 5	0	0	0	0	0	0	0	0
13. Class 6	0	0	0	0	0	0	0	0
14. Total Preferred Stock	0	0	0	0	0	0	0	0
15. Total Bonds & Preferred Stock	264,622,948	98,319,876	103,183,608	(1,045,384)	258,713,833	0	0	264,622,948

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation: NAIC 1 \$.....0 ; NAIC 2 \$.....0 ; NAIC 3 \$.....0 ; NAIC 4 \$.....0 ; NAIC 5 \$.....0 ; NAIC 6 \$.....0

SCHEDULE DA - PART 1

Short-Term Investments					
	1	2	3	4	5
	Book/Adjusted Carrying Value	Par Value	Actual Cost	Interest Collected Year To Date	Paid for Accrued Interest Year To Date
9199999	116,483,157	XXX	118,090,411	1,514,109	48,850

SCHEDULE DA - VERIFICATION

Short-Term Investments		
	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	117,379,051	189,590,733
2. Cost of short-term investments acquired	85,120,317	344,538,324
3. Accrual of discount.....	949	222,043
4. Unrealized valuation increase (decrease).....		0
5. Total gain (loss) on disposals.....	3,136	18,045
6. Deduct consideration received on disposals.....	85,081,700	413,920,582
7. Deduct amortization of premium.....	938,596	3,069,512
8. Total foreign exchange change in book/adjusted carrying value.....		0
9. Deduct current year's other than temporary impairment recognized.....		0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	116,483,157	117,379,051
11. Deduct total nonadmitted amounts.....		0
12. Statement value at end of current period (Line 10 minus Line 11)	116,483,157	117,379,051

Schedule DB - Part A - Verification

NONE

Schedule DB - Part B- Verification

NONE

Schedule DB - Part C - Section 1

NONE

Schedule DB - Part C - Section 2

NONE

Schedule DB - Verification

NONE

SCHEDULE E-VERIFICATION

(Cash Equivalents)

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	0	0
2. Cost of cash equivalents acquired.....	0	1,998,000
3. Accrual of discount.....	0	2,000
4. Unrealized valuation increase (decrease).....	0	0
5. Total gain (loss) on disposals.....	0	0
6. Deduct consideration received on disposals.....	0	2,000,000
7. Deduct amortization of premium.....	0	0
8. Total foreign exchange change in book/adjusted carrying value.....	0	0
9. Deduct current year's other than temporary impairment recognized.....	0	0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	0	0
11. Deduct total nonadmitted amounts.....	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	0	0

Schedule A - Part 2

NONE

Schedule A - Part 3

NONE

Schedule B - Part 2

NONE

Schedule B - Part 3

NONE

Schedule BA - Part 2

NONE

Schedule BA - Part 3

NONE

STATEMENT AS OF MARCH 31, 2010 OF THE Priority Health

SCHEDULE D - PART 3

Show All Long-Term Bonds and Stock Acquired During the Current Quarter

1	2	3	4	5	6	7	8	9	10
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation or Market Indicator ^(a)
31417Y-CG-0.....	FMNA #MA0070.....		01/22/2010.....	CANTOR FITZGERALD & CO.....		601,210.....	580,441.....	1,032.....	1.....
31417Y-LD-7.....	FNMA #MA0323.....		03/01/2010.....	RBCCM.....		1,444,335.....	1,371,069.....	2,571.....	1.....
38373M-TE-0.....	GNMA 2006-9 B.....		03/30/2010.....	STERNE.....		964,125.....	900,000.....	527.....	1.....
38373S-RL-3.....	GNMA 2003-22 C.....		03/11/2010.....	STERNE.....		2,121,250.....	2,000,000.....	4,094.....	1.....
38376G-BS-8.....	GNMA 2009-99 A.....		01/22/2010.....	STERNE.....		582,382.....	573,246.....	1,416.....	1.....
454624-K8-9.....	INDIANA BD BK REV.....		02/18/2010.....	RAYMOND JAMES.....		500,000.....	500,000.....	0.....	1FE.....
3199999 - Total - Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of...						6,213,302.....	5,924,756.....	9,640.....	XXX.....
03523T-AN-8.....	ANHEUSER-BUSCH INBEV.....		01/08/2010.....	BNP.....		257,408.....	250,000.....	3,247.....	2FE.....
20030N-BA-8.....	COMCAST CORP.....		02/24/2010.....	GREENWICH CAPITAL.....		249,748.....	250,000.....	0.....	2FE.....
25179M-AH-6.....	DEVON ENERGY CORPORATION.....		01/26/2010.....	GOLDMAN SACHS.....		1,118,770.....	1,000,000.....	2,450.....	2FE.....
478366-AR-8.....	JOHNSON CONTROLS INC.....		03/18/2010.....	MORGAN STANLEY.....		540,265.....	500,000.....	5,194.....	2FE.....
61747Y-CM-5.....	MORGAN STANLEY.....		01/21/2010.....	MORGAN STANLEY.....		499,960.....	500,000.....	0.....	1FE.....
713448-BM-9.....	PEPSICO INC.....		01/11/2010.....	MK.....		1,000,140.....	1,000,000.....	0.....	1FE.....
713448-BN-7.....	PEPSICO INC.....		03/24/2010.....	STIFEL NICHOLAUS & CO, INC.....		1,011,320.....	1,000,000.....	9,375.....	1FE.....
744533-BK-5.....	PUBLIC SERVICE OKLAHOMA.....		03/30/2010.....	BONDSDIRECT.....		506,180.....	500,000.....	10,157.....	2FE.....
136385-AN-1.....	CANADIAN NATL RESOURCES.....	A.....	03/17/2010.....	PIPER, JAFFRAY & HOPWOOD.....		816,938.....	750,000.....	6,269.....	2FE.....
06739G-AR-0.....	BARCLAYS BANK PLC.....	F.....	02/05/2010.....	BARCLAY.....		985,530.....	1,000,000.....	4,556.....	1FE.....
3899999 - Total - Bonds - Industrial, Misc.....						6,986,258.....	6,750,000.....	41,248.....	XXX.....
8399997 - Total - Bonds - Part 3.....						13,199,560.....	12,674,756.....	50,888.....	XXX.....
8399999 - Total - Bonds.....						13,199,560.....	12,674,756.....	50,888.....	XXX.....
8999999 - Total - Preferred Stocks.....						0.....	XXX.....	0.....	XXX.....
693390-70-0.....	PIMCO FDS TOTAL RETURN - INST.....		03/31/2010.....	MELLON BANK.....	7,902.726.....	86,908.....		0.....	L.....
921909-82-6.....	VANGUARD DEV MKTS INDEX FUND.....		01/29/2010.....	VANGUARD FUNDS.....	957.353.....	9,028.....		0.....	L.....
922040-10-0.....	VANGUARD INSTL INDEX FUND.....		03/29/2010.....	VANGUARD FUNDS.....	684.420.....	73,472.....		0.....	L.....
922908-87-6.....	VANGUARD SMALL CAP INDEX FUND.....		03/22/2010.....	VANGUARD FUNDS.....	51.528.....	1,562.....		0.....	L.....
9299999 - Total - Common Stocks - Mutual Funds.....						170,970.....	XXX.....	0.....	XXX.....
9799997 - Total - Common Stocks - Part 3.....						170,970.....	XXX.....	0.....	XXX.....
9799999 - Total - Common Stocks.....						170,970.....	XXX.....	0.....	XXX.....
9899999 - Total - Preferred and Common Stocks.....						170,970.....	XXX.....	0.....	XXX.....
9999999 - Totals.....						13,370,529.....	XXX.....	50,888.....	XXX.....

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues0 .

STATEMENT AS OF MARCH 31, 2010 OF THE Priority Health

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of by the Company During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11 + 12 - 13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Dividends Received During Year	Maturity Date	NAIC Designation or Market Indicator (a)
36202V-XU-0.	GNMA #610991.		03/01/2010.	MBS PMT		19,193	19,193	19,062	19,192	.0	.2	.0	.2	.0	19,193	.0	.0	.0	.146	06/01/2034.	1.
36291E-RM-5.	GNMA #626092.		03/01/2010.	MBS PMT		1,773	1,773	1,803	1,773	.0	.0	.0	.0	.0	1,773	.0	.0	.0	.16	03/01/2034.	1.
36291S-PT-1.	GNMA #636834.		03/01/2010.	MBS PMT		24,273	24,273	24,774	24,291	.0	(18)	.0	(18)	.0	24,273	.0	.0	.0	.193	11/01/2034.	1.
36295N-ND-5.	GNMA #675488.		03/01/2010.	MBS PMT		62,514	62,514	62,348	62,512	.0	.2	.0	.2	.0	62,514	.0	.0	.0	.429	06/01/2038.	1.
362950-LK-4.	GNMA #677230.		03/01/2010.	MBS PMT		24,130	24,130	24,533	24,151	.0	(21)	.0	(21)	.0	24,130	.0	.0	.0	.240	08/01/2038.	1.
36295S-C8-7.	GNMA #678795.		03/01/2010.	MBS PMT		173,236	173,236	176,187	173,398	.0	(162)	.0	(162)	.0	173,236	.0	.0	.0	1,485	12/01/2037.	1.
36296K-MW-9.	GNMA #693473.		03/01/2010.	MBS PMT		75,004	75,004	75,426	75,027	.0	(23)	.0	(23)	.0	75,004	.0	.0	.0	.527	06/01/2038.	1.
36296U-HC-7.	GNMA #701427.		03/01/2010.	MBS PMT		21,204	21,204	20,952	21,199	.0	.5	.0	.5	.0	21,204	.0	.0	.0	.160	11/01/2038.	1.
0399999 - Bonds - U.S. Governments						401,328	401,328	405,085	401,542	.0	(214)	.0	(214)	.0	401,328	.0	.0	.0	3,196	XXX	XXX
31283H-S9-7.	FHLMC G01444.		03/01/2010.	MBS PMT		7,596	7,596	7,912	7,603	.0	(7)	.0	(7)	.0	7,596	.0	.0	.0	.97	08/01/2032.	1.
31283K-4D-7.	FHLMC G11720.		03/01/2010.	MBS PMT		79,042	79,042	81,957	79,123	.0	(81)	.0	(81)	.0	79,042	.0	.0	.0	.609	08/01/2020.	1.
31287X-Z8-2.	FHLMC C70767.		03/01/2010.	MBS PMT		2,800	2,800	2,899	2,801	.0	(1)	.0	(1)	.0	2,800	.0	.0	.0	.24	09/01/2032.	1.
3128JW-2C-0.	FHLMC 1B2670.		02/01/2010.	MBS PMT		15,314	15,314	15,390	15,315	.0	(1)	.0	(1)	.0	15,314	.0	.0	.0	.78	12/01/2034.	1.
3128K6-SB-2.	FHLMC A46242.		03/01/2010.	MBS PMT		24,860	24,860	23,901	24,840	.0	.20	.0	.20	.0	24,860	.0	.0	.0	.204	07/01/2035.	1.
3128M1-C7-2.	FHLMC G11994.		03/01/2010.	MBS PMT		23,957	23,957	23,804	23,952	.0	.5	.0	.5	.0	23,957	.0	.0	.0	.234	05/01/2021.	1.
3128M1-KY-4.	FHLMC G12211.		03/01/2010.	MBS PMT		23,206	23,206	22,652	23,192	.0	.14	.0	.14	.0	23,206	.0	.0	.0	.201	06/01/2021.	1.
3128M1-NX-3.	FHLMC G12306.		03/01/2010.	MBS PMT		21,444	21,444	21,649	21,449	.0	(5)	.0	(5)	.0	21,444	.0	.0	.0	.237	07/01/2021.	1.
3128M4-K6-9.	FHLMC G02717.		03/01/2010.	MBS PMT		85,370	85,370	84,356	85,335	.0	.35	.0	.35	.0	85,370	.0	.0	.0	.908	02/01/2037.	1.
3128MJ-BP-4.	FHLMC G08045.		03/01/2010.	MBS PMT		17,745	17,745	17,634	17,744	.0	.2	.0	.2	.0	17,745	.0	.0	.0	.165	03/01/2035.	1.
3128MJ-BQ-2.	FHLMC G08046.		03/01/2010.	MBS PMT		49,404	49,404	50,145	49,414	.0	(10)	.0	(10)	.0	49,404	.0	.0	.0	.528	03/01/2035.	1.
3128MJ-CJ-7.	FHLMC G08072.		03/01/2010.	MBS PMT		29,283	29,283	28,537	29,270	.0	.13	.0	.13	.0	29,283	.0	.0	.0	.283	08/01/2035.	1.
3128MJ-F4-7.	FHLMC G08186.		03/01/2010.	MBS PMT		89,149	89,149	88,285	89,128	.0	.21	.0	.21	.0	89,149	.0	.0	.0	.932	03/01/2037.	1.
3128MM-CQ-4.	FHLMC G18078.		03/01/2010.	MBS PMT		18,214	18,214	17,898	18,207	.0	.7	.0	.7	.0	18,214	.0	.0	.0	.158	10/01/2020.	1.
3128MM-DG-5.	FHLMC G18102.		03/01/2010.	MBS PMT		16,393	16,393	16,634	16,396	.0	(3)	.0	(3)	.0	16,393	.0	.0	.0	.216	02/01/2021.	1.
31292H-R7-1.	FHLMC C01410.		03/01/2010.	MBS PMT		3,416	3,416	3,524	3,418	.0	(2)	.0	(2)	.0	3,416	.0	.0	.0	.37	10/01/2032.	1.
31292H-RZ-9.	FHLMC C01404.		03/01/2010.	MBS PMT		3,601	3,601	3,736	3,603	.0	(2)	.0	(2)	.0	3,601	.0	.0	.0	.49	10/01/2032.	1.
31292J-BQ-2.	FHLMC C01847.		03/01/2010.	MBS PMT		18,798	18,798	18,563	18,794	.0	.4	.0	.4	.0	18,798	.0	.0	.0	.199	06/01/2034.	1.
31292J-BR-0.	FHLMC C01848.		03/01/2010.	MBS PMT		30,364	30,364	31,109	30,378	.0	(14)	.0	(14)	.0	30,364	.0	.0	.0	.365	06/01/2034.	1.
31294K-YC-3.	FHLMC E01607.		03/01/2010.	MBS PMT		16,812	16,812	17,023	16,817	.0	(4)	.0	(4)	.0	16,812	.0	.0	.0	.137	04/01/2019.	1.
312965-TD-8.	FHLMC B13248.		03/01/2010.	MBS PMT		56,245	56,245	57,238	56,258	.0	(13)	.0	(13)	.0	56,245	.0	.0	.0	.468	04/01/2019.	1.
312969-ZB-8.	FHLMC B17190.		03/01/2010.	MBS PMT		35,439	35,439	35,395	35,438	.0	.1	.0	.1	.0	35,439	.0	.0	.0	.264	11/01/2019.	1.
312969-FY-9.	FHLMC B16483.		03/01/2010.	MBS PMT		15,748	15,748	16,120	15,755	.0	(7)	.0	(7)	.0	15,748	.0	.0	.0	.171	09/01/2019.	1.
31297C-KU-3.	FHLMC A24807.		03/01/2010.	MBS PMT		52,975	52,975	52,272	52,965	.0	.10	.0	.10	.0	52,975	.0	.0	.0	.435	07/01/2034.	1.
31297C-ZQ-6.	FHLMC A25251.		03/01/2010.	MBS PMT		20,825	20,825	21,531	20,829	.0	(4)	.0	(4)	.0	20,825	.0	.0	.0	.300	08/01/2034.	1.
31297E-UN-4.	FHLMC A26889.		03/01/2010.	MBS PMT		38,514	38,514	38,959	38,525	.0	(11)	.0	(11)	.0	38,514	.0	.0	.0	.437	09/01/2034.	1.
31297G-FG-1.	FHLMC A28267.		03/01/2010.	MBS PMT		60,442	60,442	61,443	60,455	.0	(13)	.0	(13)	.0	60,442	.0	.0	.0	.667	11/01/2034.	1.
31297N-OE-1.	FHLMC A32253.		03/01/2010.	MBS PMT		2,094	2,094	2,046	2,093	.0	.0	.0	.0	.0	2,094	.0	.0	.0	.17	04/01/2035.	1.
31297N-TA-4.	FHLMC A33245.		03/01/2010.	MBS PMT		42,214	42,214	40,915	42,165	.0	.49	.0	.49	.0	42,214	.0	.0	.0	.306	02/01/2035.	1.
31335H-4P-5.	FHLMC C90830.		03/01/2010.	MBS PMT		24,888	24,888	24,527	24,881	.0	.7	.0	.7	.0	24,888	.0	.0	.0	.187	05/01/2024.	1.
31335H-5F-6.	FHLMC C90846.		03/01/2010.	MBS PMT		28,827	28,827	29,475	28,841	.0	(14)	.0	(14)	.0	28,827	.0	.0	.0	.273	08/01/2024.	1.
3133XE-5D-7.	FHLMC 0606 Y.		03/29/2010.	MBS PMT		30,196	30,196	32,083	30,288	.0	(92)	.0	(92)	.0	30,196	.0	.0	.0	.286	12/28/2012.	1.
31371H-D9-6.	FNMA #252228.		03/01/2010.	MBS PMT		.290	.290	.304	.290	.0	.0	.0	.0	.0	.290	.0	.0	.0	.2	12/01/2028.	1.
31371K-T6-8.	FNMA #254473.		03/01/2010.	MBS PMT		4,135	4,135	4,281	4,138	.0	(3)	.0	(3)	.0	4,135	.0	.0	.0	.35	10/01/2017.	1.
31371K-UC-3.	FNMA #254479.		03/01/2010.	MBS PMT		2,058	2,058	2,129	2,059	.0	(1)	.0	(1)	.0	2,058	.0	.0	.0	.19	10/01/2032.	1.
31371K-WK-3.	FNMA #254550.		03/01/2010.	MBS PMT		3,205	3,205	3,317	3,206	.0	(1)	.0	(1)	.0	3,205	.0	.0	.0	.28	12/01/2032.	1.
31371L-DN-6.	FNMA #254909.		03/01/2010.	MBS PMT		11,267	11,267	11,355	11,269	.0	(2)	.0	(2)	.0	11,267	.0	.0	.0	.75	09/01/2013.	1.
31371L-F2-0.	FNMA #254985.		03/01/2010.	MBS PM																	

STATEMENT AS OF MARCH 31, 2010 OF THE Priority Health

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of by the Company During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
CUSIP Identifi- cation	Description	F o r e i g n	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	11	12	13	14	15	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Maturity Date	NAIC Designa- tion or Market Indicator (a)
										Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11 + 12 - 13)	Total Foreign Exchange Change in B./A.C.V.							
31389U-TR-0.	FNMA #636060.		03/01/2010.	MBS PMT.		110	110	114	110	0	0	0	0	0	110	0	0	0	1	04/01/2032.	1
31390P-TE-7.	FNMA #652249.		03/01/2010.	MBS PMT.		493	493	502	493	0	0	0	0	0	493	0	0	0	4	09/01/2017.	1
31391D-DD-2.	FNMA #663500.		03/01/2010.	MBS PMT.		31,195	31,195	31,589	31,196	0	(1)	0	(1)	0	31,195	0	0	0	150	10/01/2032.	1
31391J-JM-3.	FNMA #668168.		03/01/2010.	MBS PMT.		8,088	8,088	8,323	8,092	0	(3)	0	(3)	0	8,088	0	0	0	76	11/01/2032.	1
31391Q-S8-8.	FNMA #673843.		03/01/2010.	MBS PMT.		6,674	6,674	6,801	6,676	0	(2)	0	(2)	0	6,674	0	0	0	62	10/01/2017.	1
31393Q-N3-2.	FHLMC 2614 KB.		03/01/2010.	MBS PMT.		57,456	57,456	59,611	57,572	0	(115)	0	(115)	0	57,456	0	0	0	443	01/01/2013.	1
31393W-V9-7.	FHLMC 2641 KJ.		03/01/2010.	MBS PMT.		31,003	31,003	31,952	31,040	0	(37)	0	(37)	0	31,003	0	0	0	214	12/01/2014.	1
31394R-TQ-2.	FHLMC 2757 AB.		03/01/2010.	MBS PMT.		49,270	49,270	50,779	49,381	0	(111)	0	(111)	0	49,270	0	0	0	442	02/01/2012.	1
31395G-ZT-2.	FHLMC 2874 BA.		03/01/2010.	MBS PMT.		67,759	67,759	69,528	67,849	0	(89)	0	(89)	0	67,759	0	0	0	472	02/01/2013.	1
31397N-E5-0.	FNMA 2009-31 A.		03/01/2010.	MBS PMT.		48,263	48,263	49,771	48,302	0	(39)	0	(39)	0	48,263	0	0	0	317	04/01/2018.	1
31398E-3H-5.	FHLMC 3545 LA.		03/01/2010.	MBS PMT.		75,222	75,222	75,222	75,222	0	0	0	0	0	75,222	0	0	0	292	02/01/2013.	1
31398E-AB-0.	FHLMC 3544 KA.		03/01/2010.	MBS PMT.		85,317	85,317	87,743	85,390	0	(73)	0	(73)	0	85,317	0	0	0	605	12/01/2016.	1
31400C-6F-6.	FNMA #684070.		03/01/2010.	MBS PMT.		7,774	7,774	7,959	7,776	0	(2)	0	(2)	0	7,774	0	0	0	60	05/01/2018.	1
31400W-T7-5.	FNMA #699974.		03/01/2010.	MBS PMT.		7,325	7,325	7,504	7,328	0	(3)	0	(3)	0	7,325	0	0	0	71	04/01/2033.	1
31401B-VB-8.	FNMA #703610.		03/01/2010.	MBS PMT.		9,034	9,034	9,267	9,039	0	(5)	0	(5)	0	9,034	0	0	0	76	06/01/2018.	1
31401W-V9-7.	FNMA #720740.		03/01/2010.	MBS PMT.		2,191	2,191	2,242	2,191	0	0	0	0	0	2,191	0	0	0	18	07/01/2033.	1
31402Q-CF-6.	FNMA #734570.		03/01/2010.	MBS PMT.		22,479	22,479	22,286	22,474	0	5	0	5	0	22,479	0	0	0	243	08/01/2033.	1
31402W-LY-2.	FNMA #740243.		03/01/2010.	MBS PMT.		7,122	7,122	7,224	7,122	0	(1)	0	(1)	0	7,122	0	0	0	85	10/01/2033.	1
31403D-T8-2.	FNMA #745875.		03/01/2010.	MBS PMT.		30,300	30,300	30,568	30,306	0	(5)	0	(5)	0	30,300	0	0	0	317	09/01/2036.	1
31403U-3H-2.	FNMA #758700.		03/01/2010.	MBS PMT.		12,585	12,585	12,302	12,582	0	2	0	2	0	12,585	0	0	0	84	11/01/2019.	1
31403V-GR-4.	FNMA #759008.		03/01/2010.	MBS PMT.		1,573	1,573	1,562	1,573	0	0	0	0	0	1,573	0	0	0	13	01/01/2034.	1
31404D-OG-6.	FNMA #765555.		03/01/2010.	MBS PMT.		1,327	1,327	1,307	1,327	0	0	0	0	0	1,327	0	0	0	11	12/01/2033.	1
31404J-OD-0.	FNMA #770052.		03/01/2010.	MBS PMT.		9,321	9,321	9,409	9,323	0	(1)	0	(1)	0	9,321	0	0	0	65	03/01/2019.	1
31404K-TB-8.	FNMA #771046.		03/01/2010.	MBS PMT.		89,607	89,607	89,313	89,602	0	4	0	4	0	89,607	0	0	0	671	04/01/2019.	1
31405B-A6-8.	FNMA #784029.		03/01/2010.	MBS PMT.		26,407	26,407	26,320	26,405	0	1	0	1	0	26,407	0	0	0	210	06/01/2019.	1
31405C-UT-4.	FNMA #785494.		03/01/2010.	MBS PMT.		26,802	26,802	26,601	26,800	0	2	0	2	0	26,802	0	0	0	226	06/01/2034.	1
31405F-3V-2.	FNMA #788412.		03/01/2010.	MBS PMT.		3,931	3,931	3,877	3,931	0	0	0	0	0	3,931	0	0	0	28	07/01/2019.	1
31405H-S6-9.	FNMA #790247.		03/01/2010.	MBS PMT.		18,495	18,495	18,078	18,493	0	1	0	1	0	18,495	0	0	0	154	08/01/2034.	1
31405M-MA-2.	FNMA #793353.		03/01/2010.	MBS PMT.		21,561	21,561	22,208	21,572	0	(11)	0	(11)	0	21,561	0	0	0	214	08/01/2034.	1
31405N-S8-9.	FNMA #794443.		03/01/2010.	MBS PMT.		20,641	20,641	20,883	20,644	0	(3)	0	(3)	0	20,641	0	0	0	153	10/01/2034.	1
31405P-OQ-6.	FNMA #795263.		03/01/2010.	MBS PMT.		14,589	14,589	14,853	14,594	0	(5)	0	(5)	0	14,589	0	0	0	139	09/01/2019.	1
31406B-EU-0.	FNMA #804847.		03/01/2010.	MBS PMT.		20,193	20,193	19,475	20,183	0	10	0	10	0	20,193	0	0	0	121	01/01/2035.	1
31406F-TS-0.	FNMA #808861.		03/01/2010.	MBS PMT.		42,756	42,756	43,423	42,770	0	(13)	0	(13)	0	42,756	0	0	0	329	01/01/2035.	1
31406K-E9-7.	FNMA #812060.		03/01/2010.	MBS PMT.		36,354	36,354	36,189	36,353	0	1	0	1	0	36,354	0	0	0	163	03/01/2035.	1
31406T-JR-3.	FNMA #819372.		03/01/2010.	MBS PMT.		42,616	42,616	42,393	42,608	0	8	0	8	0	42,616	0	0	0	289	03/01/2020.	1
31407B-U6-4.	FNMA #826005.		03/01/2010.	MBS PMT.		9,312	9,312	8,991	9,309	0	3	0	3	0	9,312	0	0	0	75	07/01/2035.	1
31407Y-ES-4.	FNMA #844445.		03/01/2010.	MBS PMT.		36,398	36,398	35,039	36,382	0	16	0	16	0	36,398	0	0	0	344	12/01/2035.	1
31407Y-R6-8.	FNMA #844809.		03/01/2010.	MBS PMT.		34,797	34,797	33,883	34,776	0	20	0	20	0	34,797	0	0	0	277	11/01/2035.	1
31408A-EN-6.	FNMA #845341.		03/01/2010.	MBS PMT.		29,619	29,619	29,490	29,617	0	3	0	3	0	29,619	0	0	0	278	01/01/2036.	1
31408B-2X-5.	FNMA #846890.		03/01/2010.	MBS PMT.		32,653	32,653	32,235	32,647	0	6	0	6	0	32,653	0	0	0	272	12/01/2035.	1
31408D-UQ-5.	FNMA #848491.		03/01/2010.	MBS PMT.		49,333	49,333	48,377	49,312	0	21	0	21	0	49,333	0	0	0	447	12/01/2035.	1
31409E-LS-8.	FNMA #868937.		03/01/2010.	MBS PMT.		20,577	20,577	20,828	20,582	0	(5)	0	(5)	0	20,577	0	0	0	194	05/01/2036.	1
31410K-BK-9.	FNMA #889342.		03/01/2010.	MBS PMT.		43,947	43,947	44,029	43,949	0	(2)	0	(2)	0	43,947	0	0	0	373	03/01/2023.	1
31410K-JY-1.	FNMA #889579.		03/01/2010.	MBS PMT.		65,268	65,268	66,553	65,313	0	(45)	0	(45)	0	65,268	0	0	0	651	05/01/2038.	1
31410U-SZ-6.	FNMA #897936.		03/01/2010.	MBS PMT.		39,880	39,880	39,980	39,882	0	(2)	0	(2)	0	39,880	0	0	0	365	08/01/2021.	1
31410V-DU-1.	FNMA #898415.		03/01/2010.	MBS PMT.		74,144	74,144	74,758	7												

STATEMENT AS OF MARCH 31, 2010 OF THE Priority Health

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of by the Company During the Current Quarter																						
1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22	
										11	12	13	14	15								
CUSIP Identification	Description	F o r e i g n	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11 + 12 - 13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Maturity Date	NAIC Designation or Market Indicator (a)	
46625Y-DB-6.....	JPMCC 2004-CBX A3.....		03/01/2010.....	MBS PMT.....		19,770	19,770	19,480	19,770	0	0	0	0	0	19,770	0	0	0	144	04/01/2010.....	1FE.....	
61746B-DB-9.....	MORGAN STANLEY.....		01/21/2010.....	MORGAN STANLEY.....		527,845	500,000	517,935	517,365	0	(149)	0	(149)	0	517,216	0	10,629	10,629	7,826	10/18/2016.....	1FE.....	
637432-KT-1.....	NATIONAL RURAL UTILITIES.....		02/04/2010.....	BANK OF AMERICA.....		1,063,970	1,000,000	1,049,900	1,048,973	0	(504)	0	(504)	0	1,048,469	0	15,501	15,501	28,461	02/01/2018.....	1FE.....	
67776W-AD-2.....	OHIO CAPITAL FUND LLC.....		03/31/2010.....	FIFTHTHIRD.....		1,000,000	1,000,000	1,000,000	1,000,000	0	0	0	0	0	1,000,000	0	0	0	2,399	12/01/2020.....	2FE.....	
713448-BM-9.....	PEPSICO INC.....		03/24/2010.....	PIPER, JAFFRAY & HOPWOOD.....		1,012,440	1,000,000	1,000,140	0	0	(5)	0	(5)	0	1,000,135	0	12,305	12,305	6,458	01/15/2015.....	1FE.....	
80819P-AA-5.....	SCHULTE CORP.....		03/31/2010.....	FIFTHTHIRD.....		1,940,000	1,940,000	1,940,000	1,940,000	0	0	0	0	0	1,940,000	0	0	0	4,654	09/01/2024.....	2FE.....	
910428-AA-9.....	UNITED FUELS LLC.....		03/31/2010.....	VARIOUS.....		1,000,000	1,000,000	1,000,000	1,000,000	0	0	0	0	0	1,000,000	0	0	0	2,320	01/01/2031.....	2FE.....	
949780-AA-8.....	WFMS 2003-6 1A1.....		02/26/2010.....	VARIOUS.....		334,429	328,229	332,331	331,293	0	(190)	0	(190)	0	331,103	0	3,326	3,326	2,707	05/01/2018.....	2Z.....	
136385-AF-8.....	CANADIAN NATL RESOURCES.....		03/17/2010.....	PIPER, JAFFRAY & HOPWOOD.....		539,195	500,000	513,530	512,497	0	(518)	0	(518)	0	511,979	0	27,216	27,216	7,554	12/01/2014.....	2FE.....	
8399999 - Bonds - Industrial and Miscellaneous						14,691,249	14,505,392	14,511,052	13,530,958	0	471	0	471	0	14,531,569	0	159,680	159,680	113,204	XXX	XXX	
8399997 - Bonds - Part 4						18,264,723	18,078,866	18,102,628	17,093,628	0	(394)	0	(394)	0	18,105,043	0	159,680	159,680	143,820	XXX	XXX	
8399999 - Total - Bonds						18,264,723	18,078,866	18,102,628	17,093,628	0	(394)	0	(394)	0	18,105,043	0	159,680	159,680	143,820	XXX	XXX	
8999999 - Total - Preferred Stocks						0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
9799999 - Total - Common Stocks						0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
9899999 - Total - Preferred and Common Stocks						0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX

Schedule DB - Part A - Section 1

NONE

Sch. DB - Pt. A - Sn. 1 - Footnote (a)

NONE

Schedule DB - Part B - Section 1

NONE

Sch. DB - Pt. B - Sn. 1 - Footnotes

NONE

Schedule DB - Part D

NONE

STATEMENT AS OF MARCH 31, 2010 OF THE Priority Health

SCHEDULE E - PART 1 - CASH

[illegible]

Schedule E - Part 2 - Cash Equivalents

NONE